

The complaint

Mr B complains that PRA Group (UK) Limited trading as PRA Group is attempting to collect an unenforceable debt.

What happened

In 2017 PRA Group acquired a credit card debt of £7,590.70 from a business I'll refer to as B. Notices of Assignment were issued by both PRA Group and B to confirm the change in arrangements.

Payments towards the outstanding balance was made via a third party debt advice service, reducing the outstanding balance over time. Last year, Mr B contacted PRA Group and asked it to provide copies of the original credit agreement and other supporting information.

PRA Group contacted B and asked for the credit agreement but was advised it was no longer available. As a result, on 3 October 2023, PRA Group contacted Mr B and confirmed the credit agreement couldn't be provided which meant it was unable to enforce the debt by taking court action.

Mr B complained and said PRA Group had acted unfairly by attempting to recover the outstanding balance. PRA Group issued a final response on 30 October 2023 but didn't agree it had made a mistake or treated Mr B unfairly. PRA Group said that whilst the debt was unenforceable via the courts, there was sufficient information to show Mr B was the borrower and that the outstanding balance remained due. PRA Group didn't uphold Mr B's complaint.

An investigator at this service looked at Mr B's complaint. They thought PRA Group's claim that whilst the debt wasn't enforceable, it remained outstanding was reasonable. The investigator wasn't persuaded there were grounds to tell PRA Group to stop contacting Mr B or refund payments he'd already made to the outstanding balance. Mr B asked to appeal and said PRA Group shouldn't have collected payments from him as it cannot be shown that the monies were owed by him nor how the debt was incurred. As Mr B asked to appeal, his complaint has been passed to me to make a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with our rules.

PRA Group has already confirmed that it wasn't able to obtain a copy of the original credit agreement Mr B entered into with B when the credit card was originally opened. And PRA Group has confirmed that means the debt can't be enforced in court, which means it's unable to recover the outstanding balance by way of legal action. I'm satisfied PRA Group's approach is in line with the relevant regulations and that it's confirmed its position in terms of whether it will be able to take legal action to recover the outstanding balance.

Whilst the debt isn't enforceable in court, the rules PRA Group operates under allow it to continue to pursue the borrower for the outstanding balance. But the regulations say PRA Group must not mislead its customer concerning whether the debt can be enforced in court or not. I'm satisfied that PRA Group quickly confirmed its position to Mr B once it heard back from B with the news that his credit agreement was no longer available. I haven't seen any evidence that shows PRA Group has sought to mislead Mr B concerning enforceability.

I've considered whether PRA Group has reasonable grounds to link Mr B with the outstanding credit card debt and request repayment from him. Whilst I accept there is no copy of the credit agreement available, there is a lot of other information that directly links Mr B to the debt. That includes, copies of the Notices of Assignment issued when PRA Group purchased the debt from B, a record of all payments made to the account since PRA Group took over and evidence of contact and payments made on Mr B's behalf by the debt advisory charity.

I've also seen a copy of a final response issued by B in relation to an irresponsible lending complaint Mr B made. That also confirms Mr B took out a credit card with B that he made payments to before it was closed.

Whilst we don't have a copy of the original lending agreement, I'm satisfied we do have sufficient information available that fairly links Mr B with the debt and identifies him as the borrower. I've read and considered all the points Mr B has made in bringing his complaint, but I'm unable to agree that PRA Group has misrepresented the nature of its powers to recover the outstanding balance or made a mistake by contacting him for repayment.

I note Mr B has highlighted discrepancies with his personal details. But I can see that when B responded to his complaint in 2021 it confirmed Mr B could update his date of birth by supplying identification to verify his correct date of birth. And, for the reasons noted above, I'm satisfied there is sufficient information to fairly link Mr B as the borrower in this case. I'm not persuaded the date of birth details or other discrepancies raised are sufficient to show Mr B isn't the borrower in this case.

I'm very sorry to disappoint Mr B but as I haven't found evidence that shows PRA Group has made a mistake or treated him unfairly, I'm not upholding his complaint or directing it to refund any of the payments he's made.

My final decision

My decision is that I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 April 2024.

Marco Manente
Ombudsman